

ASX Release

Apiam Animal Health Limited

(ASX: AHX)

Apiam completes acquisition of South East QLD group in line with regional growth strategy

Melbourne, June 8, 2018 – Apiam Animal Health Limited (**Apiam**) is pleased to announce it has completed the acquisition of Gympie & District Veterinary Services (**GDVS**) for total consideration of \$4.9 million with an upfront payment of \$4.5 million and a deferred component of \$0.4M.

GDVS has two clinics, one at Gympie and one at Tin Can Bay (part of the attractive Wide Bay-Burnett region). Following the acquisition, GDVS will operate as part of a regional group with Apiam's existing mixed animal clinics in Bell and Jandowae servicing attractive urban growth areas as well as underserved agricultural areas.

Consistent with Apiam's previous transactions, the consideration for the acquisition was a combination of 70% cash and 30% in shares. For the non-cash component, Apiam will issue the owners of GDVS with 1,841,244 shares at a price of \$0.73 each. 50% of these shares (i.e. 920,622 shares) will be held in escrow for 12 months, with the remainder (i.e. 920,622) to be held in escrow for 24 months. Key employees have entered into employment contracts with Apiam, also with similar terms and restraint conditions to previous acquisitions.

Apiam's Managing Director, Dr Chris Richards said "We are pleased to have successfully completed this acquisition which gives us a greater presence in the Queensland regional and rural market, in line with our expansion strategy. We have a strong opportunity to achieve growth through realising synergies, cross-selling of Apiam's existing veterinary and genetic services expertise across a larger customer base and the establishment of smaller satellite clinics to capture revenues in underserved parts of this region."

GDVS's two practices service a full range of agricultural and companion animals over an extensive radius, often up to 100km. GDVS employs more than 30 staff (including 10.1 FTE veterinarians) and in FY2017 GDVS generated revenue of approximately \$4.9 million. GDVS is recognised as a leading practice in the South East QLD region for large animal (dairy and beef) and companion animals.

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About Apiam Animal Health Limited

Apiam Animal Health is positioned in the Australian market as a vertically integrated animal health business providing a range of products and services to Production and Mixed animals. Apiam Animal Health's strategy is to service Production and Mixed animals throughout their lifecycle, including the provision of veterinary services, ancillary services, genetics, wholesale and retail of related products, together with technical services related to food-chain security.

